

Message Text

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ACTION EUR-12

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FM AMEMBASSY BUCHAREST

TO SECSTATE WASHDC IMMEDIATE 1195

INFO AMEMBASSY VIENNA

C O N F I D E N T I A L BUCHAREST 5753

E.O. 11652: GDS

TAGS: PINT, SOCI, ECON, RO

SUBJ: DEVELOPMENTS IN MAUSCHITZ CASE

REF: BUCHAREST 5709

1. SUMMARY. GOR HAS CHARGED MAUSCHITZ WITH RESPONSIBILITY FOR ECONOMIC DAMAGE TO STATE. AUSTRIAN EMPLOYER OF MAUSCHITZ IN MEETING WITH DEPUTY MINISTER FOREIGN TRADE STANCIU DECEMBER 16 CLAIMS SENATOR SCOTT (PENNA) MEETING WITH SECRETARY TODAY (DECEMBER 17) ON CASE. AUSTRIANS THREATENING TO RENOUNCE VISA CONVENTION WITH ROMANIA AND PREDICTING SERIOUS GOA-GOR TRADE DIFFICULTIES IF CASE NOT PROMPTLY SETTLED.

2. AUSTRIAN AMBASSADOR SAUTTER INFORMED US DECEMBER 16 THAT GOR AUTHORITIES INVESTIGATING MAUSCHITZ'S CASE HAVE CHARGED HIM IN 190-PAGE "EXPERTISE" WITH RESPONSIBILITY FOR ECONOMIC DAMAGE TO STATE. FINE FOR DAMAGES IS ESTABLISHED AT 5,500,000 AUSTRIAN SHILLINGS. BAIL IS SET AT 1.5 MILLION SHILLINGS. (SAUTTER SAID THIS TOTALS APPROXIMATELY \$400,000.) ALTHOUGH MAUSCHITZ HAS NOT BEEN ALLOWED TO READ "EXPERTISE" HE HAS BEEN ORALLY INFORMED CHARGE IS BASED ON UNDUE PERSONAL INFLUENCE HE MANAGED TO WIELD OVER ROMANIAN CHIEF ENGINEER SATTINGER OF RESITA STEEL WORKS IN NEGOTIATING
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NEW CONTRACT THAT WAS SUBSTANTIALLY HIGHER THAN 1973 CONTRACT

BETWEEN MINERALEXPORT-IMPORT AND MAGNESIT. MAUSCHITZ WILL BE TRIED BY MILITARY TRIBUNAL PROBABLY IN FEBRUARY OR MARCH ACCORDING TO AUSTRIAN EMBASSY.

3. GENERAL REFRACTORIES VICE PRESIDENT FOR EUROPE WOLFGANG WICK ARRIVED IN BUCHAREST DECEMBER 16 DETERMINED TO STAY AS LONG AS NECESSARY UNTIL MAUSCHITZ FREE TO LEAVE COUNTRY. AMBASSADOR SAUTTER, WICK AND DCM HAD TWO -HOUR MEETING WITH MFT DEPMIN STANCIU LATE YESTERDAY AFTERNOON. DURING COURSE OF LENGTHY EMOTIONAL PLEA FOR DISMISSAL OF CASE, WICK TOLD STANCIU AT INSTIGATION OF GENERAL REFRACTORIES CHAIRMAN, SENATOR SCOTT (PENNA) HAD WRITTEN LETTER OF PROTEST TO PRESIDENT CEAUSESCU AND THAT SCOTT HAD APPOINTMENT WITH SECRETARY KISSINGER TODAY TO DISCUSS CASE.

4. BOTH WICK AND SAUTTER EMPHASIZED GRAVITY WITH WHICH AUSTRIAN GOVERNMENT VIEWS CASE. WICK SAID CHANCELLOR KREISKY PERSONALLY INTERESTED IN CASE. SAUTTER STATED GOA FOREIGN MINISTER CALLING IN ROMANIAN AMBASSADOR TODAY TO PROTEST MATTER AND SAID AUSTRIA CONSIDERING RENOUNCING VISA CONVENTION WITH ROMANIA. PREDICTS SERIOUS IMPLICATIONS FOR FUTURE GOA-GOR TRADE RELATIONS IF CASE NOT SATISFACTORIALLY SETTLED.

5. STANCIU REMAINED UNMOVED BY AUSTRIANS' SOMEWHAT THEATRICAL PRESENTATION. OBSERVED THAT THEY WOULD BE "SHOCKED" WHEN EXTENT OF MAUSCHITZ'S ACTIVITIES BECOMES KNOWN AND WARNED AUSTRIANS AGAINST PRESSURING GOR ON CASE. IN CONCLUDING MEETING STANCIU CAUTIONED AUSTRIANS TO HAVE PATIENCE, STATING HE WAS CERTAIN CASE COULD BE AMICABLY CONCLUDED "IF IT RESPECTS INTERESTS OF BOTH PARTIES."

6. IN ABSENCE OF AMBASSADOR (HE IS ON ONE-DAY VISIT TO SLATINA) DCM ACCOMPANING AMBASSADOR SAUTTER AND WICK ON CALL AT NOON TODAY ON VICE PRIME MINISTER OPREA. WE WILL CONTINUE TO IMPRESS UPON ROMANIANS OUR INTEREST AND CONCERN IN THIS CASE, AT SAME TIME SIGNALING THAT WE ARE NOT DRAWING ANY FINAL CONCLUSIONS UNTIL FACTS OF CASE ARE KNOWN. ASSUME DEPARTMENT WILL INFORM US IMMEDIATELY IF SENATOR SCOTT HAS BROUGHT MATTER TO ATTENTION OF SECRETARY.
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